

ENTERED

June 03, 2025

Nathan Ochsner, Clerk

**IN THE UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

IN RE:	§	CASE NO. 25-30155
	§	
ALLIANCE FARM AND RANCH, LLC,	§	(CHAPTER 11)
	§	
DEBTOR	§	
	§	
IN RE:	§	CASE NO. 25-31937
	§	
ALLIANCE ENERGY PARTNERS, LLC,	§	(CHAPTER 11)
	§	
DEBTOR	§	
	§	
	§	

**ORDER APPROVING (I) GLOBAL SETTLEMENT BETWEEN DEBTORS
AND ERIK AND DARLA OSTRANDER AND (II) GRANTING RELATED RELIEF**

Upon the motion, (the “**Motion**”),¹ of Tom A. Howley (“**Howley**”), in his capacity as the chapter 11 trustee (the “**Trustee**”) in the above-numbered and styled bankruptcy proceedings (the “**Chapter 11 Cases**”), the Trustee requests (i) authority for the Trustee to enter into a global settlement between the Debtors and Erik and Darla Ostrander (the “**Ostrandors**”) on the terms set forth in the settlement agreement (the “**Settlement Agreement**”) attached to the Motion as **Exhibit 2**, as well as the agreement set forth in the Motion between the Ostrandors and Dustin Etter (“**Etter**” and together with the Trustee and Ostrandors, collectively, the “**Parties**” and, each a “**Party**”), and (ii) granting related relief, as more fully set forth in the Motion; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §1334; and consideration of the Motion and the requested relief being a core proceeding pursuant to 28 U.S.C. § 157(b); and it appearing that venue is proper before this Court pursuant to 28 U.S.C. §§

¹ Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Motion.

1408 and 1409; and due and proper notice of the Motion having been provided, and it appearing that no other or further notice need be provided; and the Court having reviewed the Motion; and all objections, if any, to the Motion having been withdrawn, resolved, or overruled; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and it appearing that the relief requested in the Motion is in the best interest of the Debtors and their respective estates and creditors; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing,

IT IS HEREBY ORDERED THAT:

1. Pursuant to Bankruptcy Rule 9019 and sections 105(a), 362(d) and 363 of the Bankruptcy Code, the global settlement by and between the Debtors and the Ostranders (the “**Settlement**”), on the terms set forth and agreed to in the Settlement Agreement and herein, is authorized and approved.

2. The Trustee is authorized to enter into, execute, deliver, and implement the terms set forth herein and in the Settlement Agreement, as agreed to by the Parties.

3. The Settlement is the product of good faith, arms’ length negotiations between the Parties and their respective representatives.

4. On or before the Settlement Disbursement Date, the Ostranders shall disburse \$1,500,000 (the “**AFR Settlement Payment Amount**”) to the Trustee in cash by wire transfer pursuant to instructions to be provided by the Trustee.

5. Upon the Trustee’s receipt of the AFR Settlement Payment Amount in immediately available funds, the Debtors and their chapter 11 estates (together, the “**Debtor Releasors**”) and the Ostranders (each of the Debtor Releasors and Ostranders, a “**Releasing Party**” and, collectively, the “**Releasing Parties**”), each on behalf of itself and any other party, person or entity

claiming under or through it, hereby completely and finally releases, discharges, acquits, and covenants not to sue (i) each other Releasing Party and its respective current and former agents, servants, officers, directors, shareholders, employees, subsidiaries, divisions, affiliates, parents, attorneys, successors, predecessors, heirs, personal representatives, and assigns (each of the foregoing, including each Releasing Party, a **“Released Party”**) from all manners of action, causes of action, judgments, executions, debts, demands, rights, damages, costs, expenses, liens, and claims of every kind, nature, and character whatsoever, whether in law or in equity, whether based on contract (including, without limitation, quasi-contract or estoppel), statute, regulatory, tort (including, without limitation, intentional torts, fraud, misrepresentation, defamation, breaches of alleged fiduciary duty, recklessness, gross negligence, or negligence) or otherwise, accrued or unaccrued, known or unknown, matured, unmatured, liquidated or unliquidated, certain or contingent, that such releasing Party ever had or claimed to have or now has or claims to have, against any Released Party arising under or related to the Lawsuit, the Wrongful Foreclosure Claims, the Real Property, or the Personal Property and (ii) each other Releasing Party from any and all other claims or causes of action arising prior to the entry of this Order. For the avoidance of doubt, Debtors are not releasing any claims the estate may hold against Jenna Hurley, the Lux Group, Connect Realty, or their affiliates.

6. To the extent the Lawsuit is not already dismissed with prejudice, the Trustee shall take all necessary steps to ensure that the Lawsuit is dismissed with prejudice and waives any rights or claims related to the Lawsuit including any rights to revive the Lawsuit.

7. Within one (1) business day of the Effective Date, Etter shall cause the Release of Lis Pendens to be recorded in the real property records of Montgomery County, Texas.

8. To the extent applicable, the automatic stay pursuant to section 362(a) of the Bankruptcy Code is hereby lifted solely for purposes of implementing the Settlement Agreement.

9. The Trustee is authorized to enter into, perform, execute, and deliver all documents, and take all actions, necessary or appropriate to immediately continue and fully implement the Settlement and carry out the relief granted in this Order. The Trustee and the Ostranders shall do, execute, acknowledge and deliver all such further acts, instruments and assurances and take all such further action as shall be necessary or desirable to fully implement the Settlement, carry out the relief granted in this Order and fully consummate and effect the transactions provided for in this Order.

10. Except as set forth in this Order, nothing contained in the Motion, this Order, or any actions taken by the Trustee pursuant to the relief granted in the Order shall be construed as: (i) an admission as to the validity of any claim against the Debtors, or (ii) a waiver or limitation of the Debtors' rights under the Bankruptcy Code or any other applicable law.

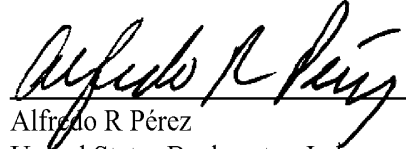
11. The Trustee and the Ostranders are authorized to take all steps necessary or appropriate to carry out the relief granted in this Order. To the extent that there is any inconsistency between the Settlement Agreement and this Order or between the Motion and this Order, the provisions of this Order will govern.

12. The Parties will each be responsible for and pay its own legal fees and out-of-pocket expenses in connection with the Lawsuit, the Wrongful Foreclosure Claims, and the Chapter 11 Cases of the Debtors pending in the Bankruptcy Court.

13. This Order shall be immediately effective and enforceable upon its entry. To the extent applicable, Rule 6004(h) of the Bankruptcy Rules is waived, and this Order shall be effective and enforceable immediately upon entry.

14. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, or enforcement of this Order.

Signed: June 03, 2025


Alfredo R Pérez
United States Bankruptcy Judge

United States Bankruptcy Court
Southern District of Texas

In re:
ALLIANCE FARM AND RANCH, LLC
Alliance Energy Partners, LLC
Debtors

Case No. 25-30155-arp
Chapter 11

CERTIFICATE OF NOTICE

District/off: 0541-4
Date Rcvd: Jun 03, 2025

User: ADIuser
Form ID: pdf002

Page 1 of 3
Total Noticed: 5

The following symbols are used throughout this certificate:

Symbol	Definition
+	Addresses marked '+' were corrected by inserting the ZIP, adding the last four digits to complete the zip +4, or replacing an incorrect ZIP. USPS regulations require that automation-compatible mail display the correct ZIP.

Notice by first class mail was sent to the following persons/entities by the Bankruptcy Noticing Center on Jun 05, 2025:

Recip ID	Recipient Name and Address
db	+ ALLIANCE FARM AND RANCH, LLC, 5450 Honea Egypt Rd, Montgomery, TX 77316-2364
jdb	+ Alliance Energy Partners, LLC, 20008 Champions Forest Dr., Suite 1203, Spring, TX 77379-8697
aty	+ Eric Terry, Howley Law PLLC, 700 Louisiana Street, Ste 4545, Houston, TX 77002, UNITED STATES 77002-2869
cr	+ Patriot Drilling Services LLC, c/o William R. Sudela, Crady Jewett McCulley & Houren LLP, 2727 Allen Parkway, Suite 1700, Houston, TX 77019-2125

TOTAL: 4

Notice by electronic transmission was sent to the following persons/entities by the Bankruptcy Noticing Center.

Electronic transmission includes sending notices via email (Email/text and Email/PDF), and electronic data interchange (EDI). Electronic transmission is in Eastern Standard Time.

Recip ID	Notice Type: Email Address	Date/Time	Recipient Name and Address
cr	Email/Text: lloyd.lim@keanmiller.com	Jun 03 2025 22:27:00	DrilTech, LLC, C/O Rachel Kubanda, 711 Louisiana Street, Suite 1800, Houston, TX 77002

TOTAL: 1

BYPASSED RECIPIENTS

The following addresses were not sent this bankruptcy notice due to an undeliverable address, *duplicate of an address listed above, *P duplicate of a preferred address, or ## out of date forwarding orders with USPS.

Recip ID	Bypass Reason	Name and Address
aty		Okin Adams Bartlett Curry LLP
cr		Dustin Etter
intp		Erik and Darla Ostrander
cr		KLEIN INDEPENDENT SCHOOL DISTRICT
crcm		Official Committee of Unsecured Creditors

TOTAL: 5 Undeliverable, 0 Duplicate, 0 Out of date forwarding address

NOTICE CERTIFICATION

I, Gustava Winters, declare under the penalty of perjury that I have sent the attached document to the above listed entities in the manner shown, and prepared the Certificate of Notice and that it is true and correct to the best of my information and belief.

Meeting of Creditor Notices only (Official Form 309): Pursuant to Fed .R. Bank. P.2002(a)(1), a notice containing the complete Social Security Number (SSN) of the debtor(s) was furnished to all parties listed. This official court copy contains the redacted SSN as required by the bankruptcy rules and the Judiciary's privacy policies.

Date: Jun 05, 2025

Signature: /s/Gustava Winters

District/off: 0541-4
Date Rcvd: Jun 03, 2025

User: ADIuser
Form ID: pdf002

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Total Noticed: 5

CM/ECF NOTICE OF ELECTRONIC FILING

The following persons/entities were sent notice through the court's CM/ECF electronic mail (Email) system on June 3, 2025 at the address(es) listed below:

Name	Email Address
Abdiel Lopez-Castro	on behalf of Creditor Dustin Etter alopezcastro@hwa.com
Branch Masterson Sheppard	on behalf of Defendant Jeana Lea Hurley bsheppard@mcglinchey.com sdeleon@gallowaylawfirm.com
Branch Masterson Sheppard	on behalf of Defendant Connect Realty.com Inc. bsheppard@mcglinchey.com, sdeleon@gallowaylawfirm.com
Branch Masterson Sheppard	on behalf of Defendant Heaven Lee Properties LLC bsheppard@mcglinchey.com, sdeleon@gallowaylawfirm.com
Deborah Louise Crain	on behalf of Defendant Alliance Energy Partners LLC shannon@e-merger.law
Deborah Louise Crain	on behalf of Defendant AE Partners Holdings Inc. shannon@e-merger.law
Deborah Louise Crain	on behalf of Defendant ALLIANCE FARM AND RANCH LLC shannon@e-merger.law
Deborah Louise Crain	on behalf of Defendant AEP Asset Holdings LLC shannon@e-merger.law
Deborah Louise Crain	on behalf of Defendant Jerod P Furr shannon@e-merger.law
Deborah Louise Crain	on behalf of Debtor ALLIANCE FARM AND RANCH LLC shannon@e-merger.law
Deborah Louise Crain	on behalf of Defendant Invictus Drilling Motors LLC shannon@e-merger.law
Deborah Louise Crain	on behalf of Defendant Corina Furr shannon@e-merger.law
Ha Minh Nguyen	on behalf of U.S. Trustee US Trustee ha.nguyen@usdoj.gov
Heather Heath McIntyre	on behalf of Creditor Dustin Etter HMcIntyre@hwallp.com dek@hwallp.com;lslater@hwa.com
James Randal Bays	on behalf of Defendant AE Partners Holdings Inc. randy@baysfirm.com, Kerry@baysfirm.com;randybays@hotmail.com;Vickie@baysfirm.com
James Randal Bays	on behalf of Defendant Alliance Energy Partners LLC randy@baysfirm.com, Kerry@baysfirm.com;randybays@hotmail.com;Vickie@baysfirm.com
James Randal Bays	on behalf of Defendant ALLIANCE FARM AND RANCH LLC randy@baysfirm.com, Kerry@baysfirm.com;randybays@hotmail.com;Vickie@baysfirm.com
James Randal Bays	on behalf of Defendant AEP Asset Holdings LLC randy@baysfirm.com, Kerry@baysfirm.com;randybays@hotmail.com;Vickie@baysfirm.com
James Randal Bays	on behalf of Defendant Jerod P Furr randy@baysfirm.com Kerry@baysfirm.com;randybays@hotmail.com;Vickie@baysfirm.com
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James Randal Bays	on behalf of Defendant Corina Furr randy@baysfirm.com Kerry@baysfirm.com;randybays@hotmail.com;Vickie@baysfirm.com
Justin William Randall Renshaw	on behalf of Creditor IAE International Inc justin@renshaw-law.com, kim@renshaw-law.com
Melissa E Valdez	on behalf of Creditor KLEIN INDEPENDENT SCHOOL DISTRICT mvaldez@pbfc.com mvaldez@ecf.courtdrive.com;arandermann@pbfc.com
Nicholas Zugaro	on behalf of Creditor Committee Official Committee of Unsecured Creditors Nzugaro@dykema.com

District/off: 0541-4
Date Rcvd: Jun 03, 2025

User: ADIuser
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Page 3 of 3
Total Noticed: 5

DocketHOU@dykema.com;ccastic@dykema.com

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US Trustee

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William R Sudela

on behalf of Creditor Patriot Drilling Services LLC wsudela@cjmhlaw.com

TOTAL: 41